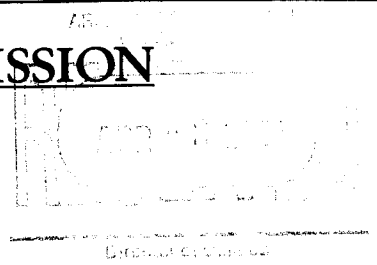


4-3-01
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ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION



ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

S

W-02062A WATER
SOUTHLAND UTILITIES COMPANY, INC.
2730 E BROADWAY SUITE ~~270~~ 135
TUCSON AZ 85716-0000

ANNUAL REPORT

FOR YEAR ENDING

12	31	2000
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FOR COMMISSION USE

ANN 04	00
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COMPANY INFORMATION

Company Name (Business Name) <u>Southland Utilities Company, Inc.</u>			
Mailing Address <u>2730 E. Broadway, Suite 135</u>			
<u>Tucson</u>	<u>AZ</u>	<u>85716</u>	
(City)	(State)	(Zip)	
<u>520-327-6000</u>	<u>520-327-6184</u>	<u>N/A</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address <u>N/A</u>			
Local Office Mailing Address <u>4148 Golden Acres Drive</u>			
<u>Sierra Vista</u>	<u>AZ</u>	<u>85650</u>	
(City)	(State)	(Zip)	
<u>520-378-6200</u>	<u>520-378-2085</u>	<u>N/A</u>	
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address <u>N/A</u>			

MANAGEMENT INFORMATION

Management Contact: <u>Andy L. Romo</u>			
(Name)		(Title)	
<u>2730 E. Broadway, Suite 135</u>	<u>Tucson</u>	<u>AZ</u>	<u>85716</u>
(Street)	(City)	(State)	(Zip)
<u>520-327-6000</u>	<u>520-327-6184</u>	<u>N/A</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address <u>N/A</u>			
On Site Manager: <u>F.G. Heeren</u>			
(Name)			
<u>4148 Golden Acres Drive</u>	<u>Sierra Vista</u>	<u>AZ</u>	<u>85650</u>
(Street)	(City)	(State)	(Zip)
<u>520-378-6200</u>	<u>520-378-2085</u>	<u>N/A</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address <u>N/A</u>			

See Accountants' Compilation Report.

Statutory Agent: Sidney N. Mendelsohn, Jr.

(Name)

2730 E. Broadway, #100

(Street)

Tucson

(City)

AZ

(State)

85716

(Zip)

520-325-7500

Telephone No. (Include Area Code)

N/A

Fax No. (Include Area Code)

N/A

Pager/Cell No. (Include Area Code)

Attorney: John O'Hare

(Name)

3865 N. Tucson Blvd.

(Street)

Tucson

(City)

AZ

(State)

85716

(Zip)

520-881-2308

Telephone No. (Include Area Code)

N/A

Fax No. (Include Area Code)

N/A

Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☒ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME Southland Utilities Company, Inc.

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	N/A	N/A	N/A
302	Franchises	N/A	N/A	N/A
303	Land and Land Rights	1,070	N/A	1,070
304	Structures and Improvements	19,824	17,011	2,813
307	Wells and Springs	19,514	19,521	(7)
311	Pumping Equipment	68,252	8,897	59,355
320	Water Treatment Equipment	N/A	N/A	N/A
330	Distribution Reservoirs and Standpipes	48,806	35,611	13,195
331	Transmission and Distribution Mains	198,617	162,556	36,061
333	Services	41,070	40,795	275
334	Meters and Meter Installations	41,153	11,840	29,313
335	Hydrants	N/A	N/A	N/A
336	Backflow Prevention Devices	N/A	N/A	N/A
339	Other Plant and Misc. Equipment	N/A	N/A	N/A
340	Office Furniture and Equipment	1,356	(28)	1,384
341	Transportation Equipment	N/A	N/A	N/A
343	Tools, Shop and Garage Equipment	N/A	N/A	N/A
344	Laboratory Equipment	N/A	N/A	N/A
345	Power Operated Equipment	N/A	N/A	N/A
346	Communication Equipment	N/A	N/A	N/A
347	Miscellaneous Equipment	1,850	165	1,685
348	Other Tangible Plant	N/A	N/A	N/A
	TOTALS	441,512	296,368	145,144

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME Southland Utilities Company, Inc.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	N/A	N/A	N/A
302	Franchises	N/A	N/A	N/A
303	Land and Land Rights	1,070	N/A	N/A
304	Structures and Improvements	19,824	5%	858
307	Wells and Springs	19,514	5%	-0-
311	Pumping Equipment	68,252	5%	2,565
320	Water Treatment Equipment	N/A	N/A	N/A
330	Distribution Reservoirs and Standpipes	48,806	5%	1,389
331	Transmission and Distribution Mains	198,617	5%	2,610
333	Services	41,070	5%	91
334	Meters and Meter Installations	41,153	5%	1,824
335	Hydrants	N/A	N/A	N/A
336	Backflow Prevention Devices	N/A	N/A	N/A
339	Other Plant and Misc. Equipment	N/A	N/A	N/A
340	Office Furniture and Equipment	1,356	5%	68
341	Transportation Equipment	N/A	N/A	N/A
343	Tools, Shop and Garage Equipment	N/A	N/A	N/A
344	Laboratory Equipment	N/A	N/A	N/A
345	Power Operated Equipment	N/A	N/A	N/A
346	Communication Equipment	N/A	N/A	N/A
347	Miscellaneous Equipment	1,850	5%	93
348	Other Tangible Plant	N/A	N/A	N/A
	TOTALS	441,512		*9,498

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.

See Accountants' Compilation Report.

Page 6

*Less Amortization of
Contributions in Aid of
construction (5,069)
Net Depreciation
Expense 4,429

COMPANY NAME	Southland Utilities Company, Inc.
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BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 14,703	\$ 14,616
134	Working Funds	-0-	-0-
135	Temporary Cash Investments	12,567	39,065
141	Customer Accounts Receivable	10,065	9,443
146	Notes/Receivables from Associated Companies	-0-	16,353
151	Plant Material and Supplies	664	862
162	Prepayments	-0-	70
174	Miscellaneous Current and Accrued Assets	26,231	7,383
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 64,230	\$ 87,792
	FIXED ASSETS		
101	Utility Plant in Service	\$ 438,695	\$ 441,512
103	Property Held for Future Use	-0-	-0-
105	Construction Work in Progress	-0-	-0-
108	Accumulated Depreciation – Utility Plant	(288,399)	(296,368)
121	Non-Utility Property	-0-	-0-
122	Accumulated Depreciation – Non Utility	-0-	-0-
	TOTAL FIXED ASSETS	\$ 150,296	\$ 145,144
	TOTAL ASSETS	\$ 214,526	\$ 232,936

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

See Accountants' Compilation Report.

COMPANY NAME

Southland Utilities Company, Inc.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 1,413	\$ 2,524
232	Notes Payable (Current Portion)	-0-	-0-
234	Notes/Accounts Payable to Associated Companies	-0-	-0-
235	Customer Deposits	1,755	1,918
236	Accrued Taxes	5,773	8,890
237	Accrued Interest	-0-	-0-
241	Miscellaneous Current and Accrued Liabilities	89	11,785
	TOTAL CURRENT LIABILITIES	\$ 9,030	\$ 25,117
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ -0-	\$ -0-
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$ -0-	\$ -0-
252	Advances in Aid of Construction	16,794	4,684
255	Accumulated Deferred Investment Tax Credits	47	40
271	Contributions in Aid of Construction	101,400	101,400
272	Less: Amortization of Contributions	(76,389)	(81,458)
281	Accumulated Deferred Income Tax	3,784	3,772
	TOTAL DEFERRED CREDITS	\$ 45,636	\$ 28,438
	TOTAL LIABILITIES	\$ 54,666	\$ 53,555
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 6,000	\$ 6,000
211	Paid in Capital in Excess of Par Value	135,692	135,692
215	Retained Earnings	18,168	37,689
218	Proprietary Capital (Sole Props and Partnerships)	N/A	N/A
	TOTAL CAPITAL	\$ 159,860	\$ 179,381
	TOTAL LIABILITIES AND CAPITAL	\$ 214,526	\$ 232,936

See Accountants' Compilation Report.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 112,990	\$ 113,951
460	Unmetered Water Revenue	-0-	-0-
474	Other Water Revenues	2,885	2,833
	TOTAL REVENUES	\$ 115,875	\$ 116,784
	OPERATING EXPENSES		
601	Salaries and Wages	\$ -0-	\$ -0-
610	Purchased Water	-0-	-0-
615	Purchased Power	20,082	19,950
618	Chemicals	-0-	-0-
620	Repairs and Maintenance	3,219	4,943
621	Office Supplies and Expense	3,987	4,491
630	Outside Services	36,407	38,795
635	Water Testing	6,891	1,050
641	Rents	-0-	-0-
650	Transportation Expenses	-0-	-0-
657	Insurance - General Liability	1,564	978
659	Insurance - Health and Life	-0-	-0-
666	Regulatory Commission Expense - Rate Case	7,500	7,500
675	Miscellaneous Expense	206	754
403	Depreciation Expense	4,800	4,429
408	Taxes Other Than Income	70	45
408.11	Property Taxes	7,015	7,272
409	Income Tax	1,123	7,422
	TOTAL OPERATING EXPENSES	\$ 92,864	\$ 97,629
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$ 76	\$ 498
421	Non-Utility Income	8	8
426	Miscellaneous Non-Utility Expenses	-0-	(52)
427	Interest Expense	(63)	(88)
	TOTAL OTHER INCOME/EXP	\$ 21	\$ 366
	NET INCOME/(LOSS)	\$ 23,032	\$ 19,521

See Accountants' Compilation Report.

COMPANY NAME Southland Utilities Company, Inc.

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	N/A	N/A	N/A	N/A
Source of Loan	N/A	N/A	N/A	N/A
ACC Decision No.	N/A	N/A	N/A	N/A
Reason for Loan	N/A	N/A	N/A	N/A
Dollar Amount Issued	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Amount Outstanding	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Date of Maturity	N/A	N/A	N/A	N/A
Interest Rate	N/A	N/A	N/A	N/A
Current Year Interest	\$ N/A	\$ N/A	\$ N/A	\$ N/A
Current Year Principle	\$ N/A	\$ N/A	\$ N/A	\$ N/A

Meter Deposit Balance at Test Year End \$ 11,728

Meter Deposits Refunded During the Test Year \$ 1,662

See Accountants' Compilation Report.

COMPANY NAME Southland Utilities Company, Inc.

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number	Pump Horsepower	Pump Yield (Gpm)	Casing Size (inches)	Meter Size (inches)
626,149	52	200	12"	N/A
626,150	60	200	14"-12"-10"	N/A

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A	N/A	N/A

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = 42,333

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
40	1	6	N/A
5	1		
10	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
25,000	1	10,000	1
62,000	1	5,000	1

See Accountants' Compilation Report.

STATISTICAL INFORMATION

Total number of customers	492	
Total number of gallons sold	39,473,894	gallons

See Accountants' Compilation Report.

COMPANY NAME Southland Utilities Company, Inc. **YEAR ENDING 12/31/2000**

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2000 was: \$ 7,257

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. N/A

See Accountants' Compilation Report.

COMPANY NAME Southland Utilities Company, Inc.

YEAR ENDING 12/31/2000

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>25,401</u>
Estimated or Actual Federal Tax Liability	<u>3,810</u>
State Taxable Income Reported	<u>27,600</u>
Estimated or Actual State Tax Liability	<u>2,199</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>None</u>
Amount of Gross-Up Tax Collected	<u>None</u>
Total Grossed-Up Contributions/Advances	<u>None</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

x Andrew L. Romo
SIGNATURE

x 03.30.01
DATE

Andrew L. Romo
PRINTED NAME

President
TITLE

See Accountants' Compilation Report.

COMPANY NAME Southland Utilities Company, Inc. **YEAR ENDING 12/31/2000**

**WATER AND SEWER
UTILITIES ONLY**

PROPERTY TAXES

Indicate the amount of actual property taxes paid during this reporting period (Calendar Year 2000)

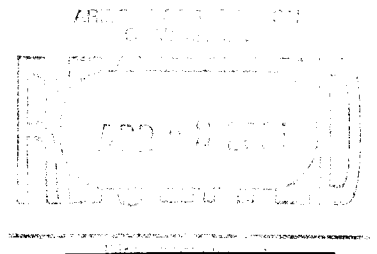
\$ 7,257

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled Checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain reasons below:

See Accountants' Compilation Report.

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**



VERIFICATION

STATE OF Arizona
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	<u>Pima</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>Andrew L. Romo President</u>
COMPANY NAME	<u>Southland Utilities Company, Inc.</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2000</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2000 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)
\$ <u>120,418</u>

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 6,467
IN SALES TAXES BILLED, OR COLLECTED

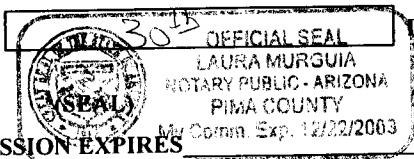
****REVENUE REPORTED ON THIS PAGE MUST
INCLUDE SALES TAXES BILLED OR
COLLECTED. IF FOR ANY OTHER REASON,
THE REVENUE REPORTED ABOVE DOES NOT
AGREE WITH TOTAL OPERATING REVENUES
ELSEWHERE REPORTED, ATTACH THOSE
STATEMENTS THAT RECONCILE THE
DIFFERENCE. (EXPLAIN IN DETAIL)**

X Andrew L. Romo
SIGNATURE OF OWNER OR OFFICIAL
X (520) 327-6000
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



MY COMMISSION EXPIRES

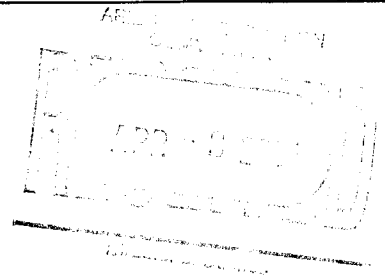
DAY OF

COUNTY NAME	<u>Pima</u>	
MONTH	<u>March</u>	<u>2001</u>

Laura Murguia
SIGNATURE OF NOTARY PUBLIC

See Accountants' Compilation Report.

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**



VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME) Pima	
NAME (OWNER OR OFFICIAL) Andrew L. Romo	TITLE President
COMPANY NAME Southland Utilities Company, Inc.	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2000

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2000 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ 111,951

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 5,706
IN SALES TAXES BILLED, OR COLLECTED

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

X Andrew L. Romo
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

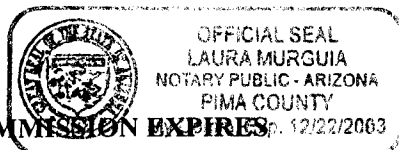
THIS

30th

DAY OF

NOTARY PUBLIC NAME Laura Murguia	
COUNTY NAME Pima	
MONTH March	YEAR 2001

(SEAL)



MY COMMISSION EXPIRES

X Laura Murguia
SIGNATURE OF NOTARY PUBLIC

See Accountants' Compilation Report.

SOUTHLAND UTILITIES COMPANY, INC.PHONE 520-378-6200
4148 GOLDEN ACRES DR.
SIERRA VISTA, AZ 85635

3859

91-1016
1221DATE January 24, 2000PAY
TO THE
ORDER OF Marsha Bonham Cochise County Treasurer

\$ 228.59*****

THE SUM 228 DOLS 59 CTS

DOLLARS  Security features
included.
Details on back.*Arizona Bank
Northwest Regional
Banking Center
7000 N. Oracle
Tucson, AZ 85704

06

FOR 9000056-012

⑈003859⑈ ⑆122101010⑆

0065001891⑈

⑈0000022859⑈

Andrew L. Pomo

MP

SOUTHLAND UTILITIES COMPANY, INC.PHONE 520-378-6200
4148 GOLDEN ACRES DR.
SIERRA VISTA, AZ 85635

3909

91-1016
1221DATE April 24, 2000PAY
TO THE
ORDER OF Marsha Bonham Cochise County Treasurer

\$ 3,507.39**

THE SUM 3507 DOLS 39 CTS

DOLLARS  Security features
included.
Details on back.*Arizona Bank
Northwest Regional
Banking Center
7000 N. Oracle
Tucson, AZ 85704

06

FOR parcel# 924-56-870 - 0

⑈003909⑈ ⑆122101010⑆

0065001891⑈

⑈0000350739⑈

Andrew L. Pomo

MP

SOUTHLAND UTILITIES COMPANY, INC.PHONE 520-378-6200
4148 GOLDEN ACRES DR.
SIERRA VISTA, AZ 85635

4016

91-1016
1221DATE October 23, 2000PAY
TO THE
ORDER OF Marsha Bonham Cochise County Treasurer

\$ 3,521.47****

THE SUM 3521 DOLS 47 CTS

DOLLARS  Security features
included.
Details on back.*Arizona Bank
Northwest Regional
Banking Center
7000 N. Oracle
Tucson, AZ 85704

06

FOR 00 parcel# 924-56-870 0

⑈004016⑈ ⑆122101010⑆

0065001891⑈

⑈0000352147⑈

Andrew L. Pomo

MP

**NOTICE OF UNSECURED PERSONAL PROPERTY
VALUATION AND PROPERTY TAXES DUE**

TAX YEAR FROM JANUARY 1 THRU DECEMBER 31

**PHILIP LEIENDECKER
COCHISE COUNTY ASSESSOR
P O BOX 168
BISBEE AZ 85603**

PROPERTY LOCATION:

TAX YEAR **1999**

**114 INCA DOVE
SIERRA VISTA AZ**

ROLL NUMBER	VALUATION DATE	ASSESSMENT DATE	DELINQUENT DATE	TAX AREA	PRIMARY TAX RATE	SECONDARY TAX RATE	TAXPAYER NUMBER
1201577	10/29/99	12/31/99	02/09/00	6879	9.9538	5.9650	9000056-012

IS THE ONLY NOTICE YOU WILL RECEIVE.
RECEIPT WILL BE SENT UNLESS REQUESTED.

IF YOU DEEM THIS VALUATION ERRONEOUS OR
OBJECTIONABLE, YOU MAY INITIATE AN APPEAL.
YOUR APPEAL PRECLUDES ANY SUB-
SEQUENT CHANGES. APPEAL PROCEDURES
AND EXPLANATIONS ARE ON REVERSE SIDE OF
NOTICE. IF NO APPEAL IS MADE, THE TOTAL
DUE SHOWN BELOW IS DUE ONE WEEK
FROM THE ASSESSMENT DATE.

SOUTHLAND UTILITIES

**2730 E BROADWAY #230
TUCSON, AZ 85716**

SS TS	PROPERTY DESCRIPTION	%	LIMITED VALUE FULL CASH VALUE	LTD. EXEM. FCV. EXEM.	NET. LTD. ASS'D. NET. FCV. ASS'D.	PRIMARY TAX SECONDARY TAX
3	184 SPACE FAB 84-034	10X35	25	5,744 5,744	1,436 1,436	14293 8566

*CK #3859
11/24/00*

TAX DISTRIBUTION				
CODE	TAX JURISDICTION	PRIMARY	SECONDARY	TOTAL
2000	COCHISE COUNTY	4290	00	4290
2001	COUNTY SCHOOL TAX	761	00	761
5068	SIERRA VISTA ELEMENTARY	4031	1495	5526
6104	SIERRA VISTA UNION HIGH	2717	1594	4311
8150	COCHISE COUNTY JUNIOR C	2494	00	2494
1202	FRY FIRE DISTRICT	00	4116	4116
1900	FIRE DISTRICT ASSISTANC	00	136	136
2069	GOLDEN ACRES SLID #86-6	00	1002	1002
4900	COCHISE COUNTY LIBRARY	00	223	223
TOTALS		14293	8566	22859

PRIMARY AD VALOREM TAX	14293
LESS STATE AID TO EDUCATION	00
NET PRIMARY TAX	14293
SECONDARY TAX	8566
TOTAL TAX DUE	22859

↓ TEAR HERE ↓

1999 TAX NOTICE

JAN. 1, 1999
TO
DEC. 31, 1999

COUNTY OF COCHISE

ARIZONA

ADDRESS: P O BOX 1778

BISBEE AZ 85603

SAL DESCRIPTION: SECTION TWN RNG ACRES
TOTAL VALUE OF OPERATING PROPERTY .09 USE 5500
07-69-017 1,590

TAX ROLL NUMBER
107109
PARCEL IDENTIFICATION
924-56-870 0
TAX AREA CODE
6870

IMPORTANT - SEE REVERSE SIDE
FOR COMPLETE EXPLANATION OF
YOUR 1999 TAX NOTICE AND
PAYMENT INSTRUCTIONS.

924-56-870 0 107109

SOUTHLAND UTILITIES COMPANY INC
ANDREW L ROMO/VICE PRESIDENT
2730 E BROADWAY BLVD STE 135
TUCSON AZ 85716

1999 TAX SUMMARY (3)	
PRIMARY AD VALOREM TAX	4608.54
LESS STATE AID TO EDUCATION	.00
NET PRIMARY AD VALOREM TAX	4608.54
SECONDARY AD VALOREM TAX	2406.24
SPECIAL DISTRICT TAX	.00

PAY TOTAL OR HALF TAX

TOTAL TAX DUE	7014.78
HALF TAX	3507.39

DELINQUENT DATES

1st HALF NOV. 1, 1999

2nd HALF MAY 1, 2000

THIS IS THE ONLY NOTICE YOU WILL RECEIVE
NO RECEIPT WILL BE SENT UNLESS REQUESTED

PRIMARY PROPERTY TAX CALCULATION (1)						
ITEM	LIMITED VALUE	ASSMT. %	ASSESSED VALUE	EXEMPTION	TAX RATE	AD VALOREM TAX
LAND, BLDGS, ETC.	2750	250	688	0	98471	6775
PERSONAL PROPERTY	184450	250	46113	0	98471	454079
TOTALS	187200		46801	0		460854

SECONDARY PROPERTY TAX CALCULATION (2)						
ITEM	FULL CASH VALUE	ASSMT. %	ASSESSED VALUE	EXEMPTION	TAX RATE	AD VALOREM TAX
LAND	1590	250	398	0	53973	2149
BLDG, ETC.	1160	250	290	0	53973	1565
PERSONAL PROPERTY	184450	250	46113	0	51376	236910
TOTALS	187200		46801	0		240624

1998-1999 TAX COMPARISON (4)						
X CODE	TAX JURISDICTION	1999 PRIMARY	1999 SECONDARY	1999 TOTAL	1998 TOTAL	DIFFERENCE
000	COCHISE COUNTY	139809	00	139809	146563	-6754
001	COUNTY SCHOOL TAX	24416	00	24416	26003	-1587
068	SIERRA VISTA ELEM SD #68	125328	47734	173062	188821	-15759
104	SIERRA VISTA UHS	90017	49880	139897	147289	-7392
150	COCHISE COUNTY JUNIOR COLLEGE	81284	00	81284	85210	-3926
202	FRY FIRE DISTRICT	00	130893	130893	140617	-9724
900	FIRE DISTRICT ASSISTANCE FUND	00	4680	4680	4646	34
900	COCHISE COUNTY LIBRARY DIST	00	7259	7259	7610	-351
000	COCHISE COUNTY FCD #80-49	00	178	178	187	-9
	TOTALS	460854	240624	701478	746946	-45468

TEAR OFF ALONG DOTTED LINES

TEAR OFF ALONG DOTTED LINES

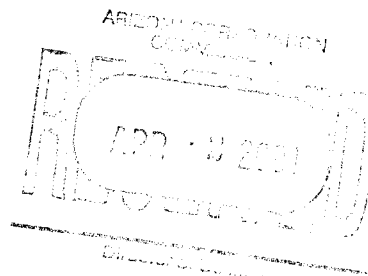
SEBY & ASSOCIATES, LTD.
CERTIFIED PUBLIC ACCOUNTANTS
POST OFFICE BOX 31090
TUCSON, ARIZONA 85751-1090

M. J. SEBY, CPA
PHILIP D. TUCKER, CPA
DOUGLAS W. LUBBEN, CPA
RICHARD G. BABBITT, CPA
GLENN E. FYDRYCH, CPA

NATIONAL BANK PLAZA
335 N. WILMOT RD., #400
TUCSON, ARIZONA 85711
TELEPHONE (520) 790-5500
FAX (520) 790-9899
EMAIL: cpa@seby.psemail.com

March 22, 2001

Compliance Section
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007



RE: Southland Utilities
Company, Inc.
Water Utility Annual
Report

Dear Sir/Madam:

Please find enclosed the Water Utility Annual Report and the accountants' compilation report for the above captioned corporation for the calendar year 2000.

Yours very truly,

SEBY & ASSOCIATES, LTD.


Philip D. Tucker, CPA

PDT:vb
Enclosure

SEBY & ASSOCIATES, LTD.
CERTIFIED PUBLIC ACCOUNTANTS
POST OFFICE BOX 31090
TUCSON, ARIZONA 85751-1090

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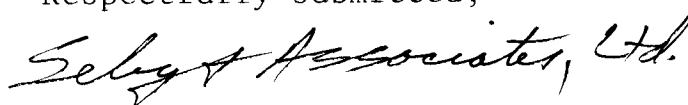
Southland Utilities
Company, Inc.
2730 East Broadway, #135
Tucson, AZ 85716

We have compiled the annual report to the Arizona Corporation Commission, Utilities Division, Compliance Section for the year ended December 31, 2000 for Southland Utilities Company, Inc. included in the accompanying prescribed form in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

Our compilation was limited to presenting in the form prescribed by the Arizona Corporation Commission, Utilities Division, Compliance Section, information that is the representation of management. We have not audited or reviewed the financial statements referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

The financial and statistical information, including other disclosures, are presented in accordance with the requirements of the Arizona Corporation Commission, Utilities Division, Compliance Section, which differ from generally accepted accounting principles. Accordingly, the financial statements are not designed for those who are not informed about such differences.

Respectfully submitted,



SEBY & ASSOCIATES, LTD.
Certified Public Accountants

March 22, 2001

TO: Public Service Corporations (Water Utilities)

FROM: Director, Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

RE: UTILITIES DIVISION ANNUAL REPORT, CALENDAR YEAR ENDING
DECEMBER 31, 2000

Enclosed is the Utilities Division Annual Report form for the calendar year ending December 31, 2000.

All public service corporations must file a Utilities Division Annual Report with the Commission pursuant to the Constitution of the State of Arizona, Article 15, Section 13; Arizona Revised Statutes, Section 40-204; and Commission Rules contained in the Arizona Administrative Code.

The Annual Report must be completed and filed by **April 15, 2001**. Failure to file an Annual Report by this date will result in the issuance of a complaint and order to show cause resulting in administrative fines. If you require additional time to file your Annual Report, you may make a request to the Commission by addressing a letter to:

**Compliance Section
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007**

However, you must still file the "VERIFICATION AND SWORN STATEMENT" and the "VERIFICATION AND SWORN STATEMENT RESIDENTIAL REVENUE" forms from the back of the Annual Report form by **MAY 1, 2001**, pursuant to Arizona Revised Statute 40-401.

Mail or deliver the completed Annual Report to:

**Compliance Section
Utilities Division
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007**